



Van H. Wanggaard

Wisconsin State Senator

TESTIMONY OF SENATOR VAN WANGGAARD ON SB 153

Thank you, Mr. Chairman and committee members, for this hearing on Senate Bill 153, which permits governmental employers who do not participate in the Wisconsin Retirement System to be covered in the local government health insurance plan offered by the Group Insurance Board. I cosponsored this legislation with Representative Vos, and I am pleased to appear in support of this bill.

This bill originated from a challenge faced by the Village of Sturtevant in Racine County. Sturtevant village trustees have served as excellent stewards of taxpayer funds, and they have worked to hold down costs and maintain a balanced budget. However, Sturtevant does not participate in the Wisconsin Retirement System—it uses a third party to administer its pension plan. As a result, it is denied access to the health insurance plans offered by the Group Insurance Board.

Without enrolling in the Group Insurance Board, one of the tools that the Legislature has offered local governments to balance their budgets is of limited use. The Group Insurance Board, because of its much larger pool of participants, would likely lower the health insurance costs for Sturtevant's employees and lower costs for the village. Although there may have been some reason for requiring the Group Insurance Board to be tied to the Wisconsin Retirement System in the past, such reason seems lacking today. The change made in this bill enables local government officials to realize savings in health insurance costs regardless of their pension administrator. Since introducing this bill, I have learned that other communities, including the city and county of Milwaukee, face a similar situation and would be positively impacted by this legislation.

Let me be clear—allowing municipalities like Sturtevant to participate in the Group Insurance Board creates no additional expense for municipalities or the state. Instead, it allows fiscally responsible municipalities to save on health insurance costs by letting them participate in the much larger health insurance pool represented by the Group Insurance Board. It gives local governments another option for saving money, balancing their budgets, and maintaining essential services.

This is a simple bill. We are not making substantial changes to the policies of the Group Insurance Board, and we are not creating a new financial obligation for municipalities or for the state. We are simply giving local governments another option as they work to balance their budgets and provide taxpayers with the best value for municipal services.

I urge you to support SB 185, and I will be happy to answer any questions you have about this legislation. Thank you.

Serving Racine County - Senate District 21



ROBIN J. VOS

STATE REPRESENTATIVE • RACINE COUNTY

**2011 Senate Bill 153
Allowing Municipalities to Participate in the State Group Insurance Board
Submitted Testimony of State Representative Robin Vos
September 29, 2011**

Dear Chairman Wanggaard and members of Senate Labor, Public Safety and Urban Affairs Committee,

Please accept this as my written testimony in support of this provision to allow municipalities not currently participating in the Wisconsin Retirement System (WRS) to buy health insurance through the state's Group Insurance Board (GIB).

I am very much in support of this bill because I believe it is important to allow all municipalities, whether they participate in the Wisconsin Retirement System or not, to take advantage of all budget-reforming tools available to them. Allowing these municipalities greater purchasing power through a larger insurance pool is a common-sense measure that will save taxpayers money in the long-run.

For instance, we know that the village of Sturtevant is one municipality that does not participate in the Wisconsin Retirement System. While we do not know exactly what the fiscal savings would be for them in the coming years, it's important to allow them this added flexibility.

As lawmakers, we are not always aware of all possible outcomes of our legislation. Had we known municipalities not participating in the WRS could not also be part of GIB, we may have addressed it earlier this year under Act 10. I'd like to commend the Village of Sturtevant for coming forward on this issue and partnering with Senator Wanggaard to develop innovative budget reforms in these very tough financial times.

Thank you for your consideration of this bill.